
HOUSE CONCURRENT RESOLUTION

REQUESTING AN AUDIT OF THE DEPARTMENT OF HUMAN SERVICES.

1 WHEREAS, as part of the overhaul of the health care system,
2 in addition to expanding the State's Medicaid program and in
3 order to comply with the mandates of the Affordable Care Act,
4 the Department of Human Services had the primary responsibility
5 to design and build a new electronic eligibility system for
6 Medicaid and to perform automated eligibility determinations.
7 The vendor selected for this contract developed the Kuahale On-
8 Line Eligibility Assistance (KOLEA) System, which is now the
9 Department of Human Services' Medicaid integrated eligibility
10 system for the Med-QUEST Division; and

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12 WHEREAS, KOLEA, which was built with ninety percent federal
13 funding, replaces a more than two decades old eligibility
14 system, and is intended to advance Hawaii's Medicaid system by
15 offering the applicants the option to submit applications
16 online, in addition to submitting paper applications; and

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18 WHEREAS, KOLEA processed approximately 330,000 Medicaid
19 renewals and applications for eligible residents in its first
20 year of operation, but it was not without technical
21 difficulties; and

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23 WHEREAS, with the input from the community and staff of the
24 Department of Human Services, and a major scheduled maintenance
25 in January 2015, many technical problems were resolved; and

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27 WHEREAS, KOLEA requires substantial federal and state funds
28 to maintain and operate the system on an annual basis; and

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30 WHEREAS, KOLEA is the first phase of a larger Department of
31 Human Services' Enterprise Platform that is being developed to
32 replace the other aged legacy information systems of the
33 Department of Human Services that will require substantial and



1 continued federal and state funds to design, build, operate, and
2 maintain; and
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4 WHEREAS, as stewards of the public trust, the Legislature
5 is concerned about whether public funds were used in an
6 effective and efficient manner, in fulfillment of the intended
7 objectives; now, therefore,
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9 BE IT RESOLVED by the House of Representatives of the
10 Twenty-eighth Legislature of the State of Hawaii, Regular
11 Session of 2015, the Senate concurring, that the Department of
12 the Attorney General is requested to have an audit conducted of
13 the Department of Human Services, including its Med-QUEST
14 Division and KOLEA, the eligibility determination system of the
15 Division; and
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17 BE IT FURTHER RESOLVED that the audit:
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19 (1) Examine the process of procurement of the KOLEA system
20 and whether the system met the objectives and results
21 expected; and
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23 (2) Make recommendations to improve purchase, design,
24 operation, and maintenance processes and controls
25 required to meet the Department of Human Services'
26 continued development, operation, and maintenance of
27 large information technology systems; and
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29 BE IT FURTHER RESOLVED that the Department of Human
30 Services be willing to pay up to \$100,000 for the audit; and
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32 BE IT FURTHER RESOLVED that the Department of the Attorney
33 General is requested to submit findings and recommendations,
34 including any proposed legislation, to the Legislature not later
35 than twenty days prior to the convening of the Regular Session
36 of 2016; and
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38 BE IT FURTHER RESOLVED that certified copies of this
39 Concurrent Resolution be transmitted to the Department of the
40 Attorney General, the Director of Human Services, and the
41 Administrator of the Med-QUEST Division of the Department of
42 Human Services.

